



**SECURE CONVENIENCE STORE
INVESTMENT OPPORTUNITY**

THE CO-OPERATIVE, IVY ROAD, MACCLESFIELD,
CHESHIRE SK11 8NA

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Investment Summary

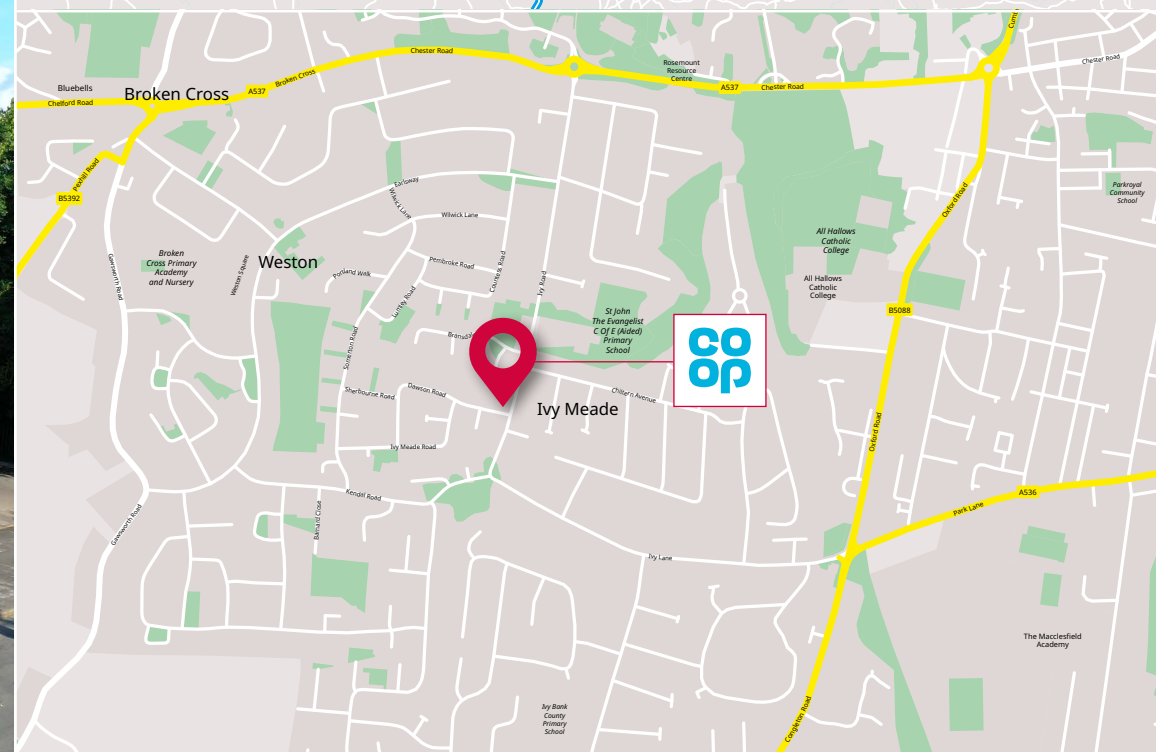
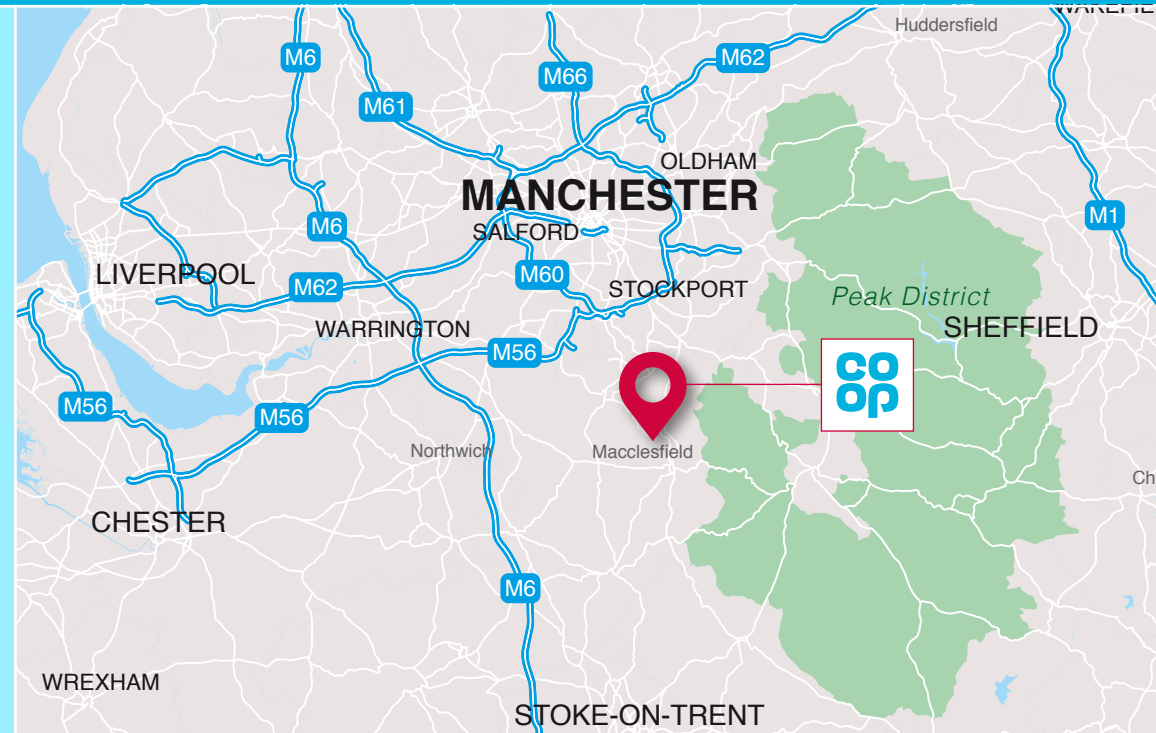
- **Secure convenience store investment opportunity**
- **Prominent location** with return frontage in wealthy Cheshire town
- **Well-presented** and recently refurbished store with Co-ops latest branding
- Provides a total of **4,640 sq ft**
- Freehold site of c. **0.35 acres** (0.014 hectares)
- **Sale and leaseback** to undoubted covenant of Co-operative Group Food Limited (D&B 5A1)
- **15 year FRI lease** without break from completion of sale
- Low initial rent of **£60,000 per annum** (£12.93 psf)
- **5 yearly upward only CPI reviews** (1-3% collar and cap)
- Offers in excess of **£1,070,000 (STC)**
- Representing a Net Initial Yield of **5.25%**
- Estimated reversionary yield of **6.09%** in the 5th anniversary and **7.05%** in 10th anniversary

Location

Macclesfield is a prosperous Cheshire market town located 16 miles south of Manchester, 18 miles north of Stoke-On-Trent and lies just on the edge of the Peak District.

The town has a population of c.51,500, growing to 150,000 on a district level. The town has a very affluent catchment, with Mosaic Consumer Classifications of Symbols of Success, Happy Families and Suburban Comfort all above the national average.

The town is well connected by road and rail with Macclesfield station providing regular services to Manchester, Stoke, Birmingham and London.



 **MACCLESFIELD**

MACCLESFIELD TOWN CENTRE

 **MACCLESFIELD TRAIN STATION**

MACCLESFIELD COLLEGE

ST JOHNS SCHOOL

ALL HALLOWS CATHOLIC COLLEGE

IVY ROAD



Situation

The property is prominently located on the junction of Ivy Road and Dawson Road in a densely populated residential neighbourhood. Trade and footfall is boosted by multiple nearby schools including St Johns CofE, All Hallows Catholic College and Macclesfield College.

There is limited competition for convenience stores in the area, with the closest competition being a Best One approximately 5 minutes walk away.

Description & Accommodation

The property comprises a converted and extended convenience store of traditional brick construction under a flat felt roof. The Co-operative trade on the ground floor, and there is a second floor for staff areas/offices. The property extends to a total of 4,640 sq ft, split between sales (2,816 sq ft) and back of house (1,824 sq ft).

The property sits on a large site of 0.346 acres (0.14 hectares) and includes a significant car park with spaces for c. 12 vehicles.

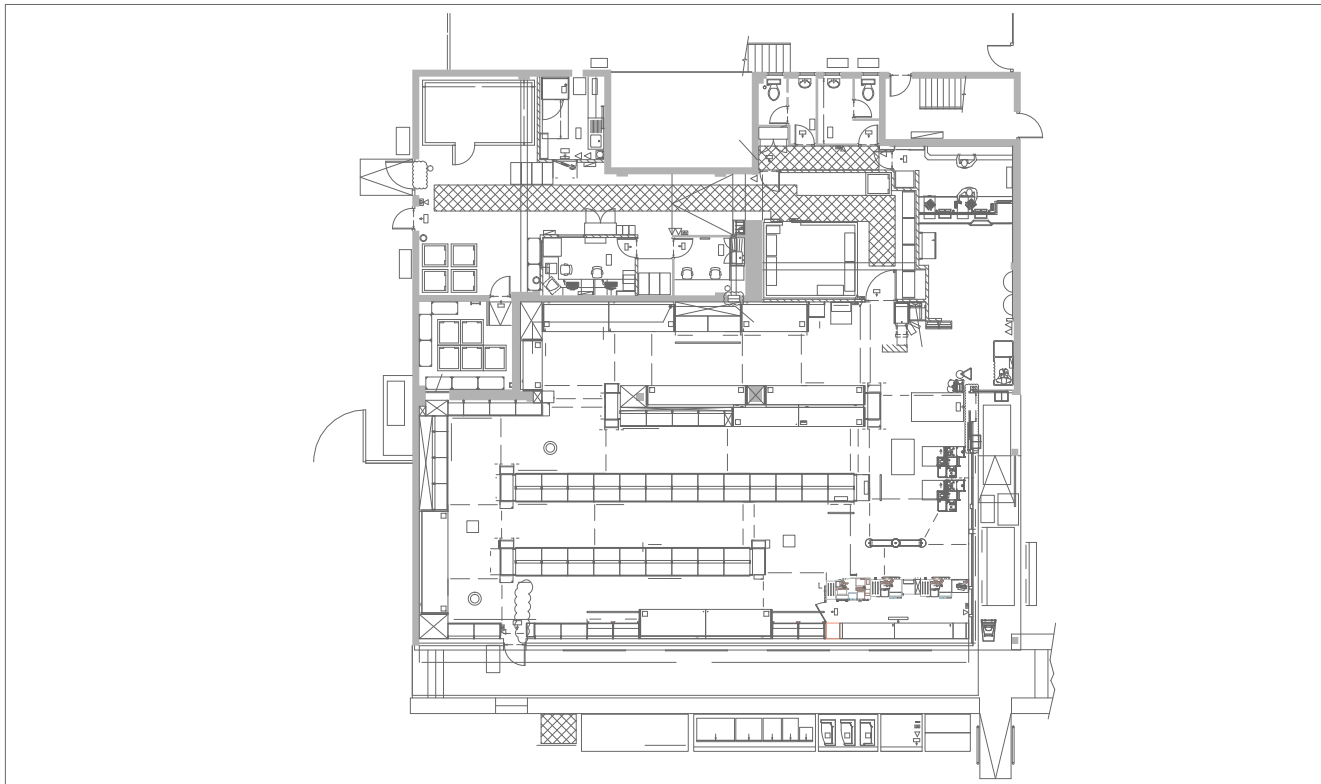
Tenancy

The property will be let from completion of the sale to the Co-operative Group Food Limited on a full repairing and insuring lease for a term of 15 years.

The initial rent of £60,000 per annum (£12.93 psf) is to be reviewed every 5 years in line with the consumer price index (capped and collared at 1%-3%).

Tenure

Freehold (Title number: CH340503).



Covenant Status



Co-operative Group Food Limited (Company Number: 26715R) is a wholly owned subsidiary of The Co-operative Group Limited which was established in 1844 and now operates 4,500 outlets with almost 90,000 employees and has an annual turnover of £10.50 billion.

Co-operative Group Food is the UK's 5th largest food retailer with almost 2,800 local, convenience and medium sized stores employing over 69,000 people. Furthermore existing arrangements with independent co-operative societies means they supply more than 7,700 stores.

In the first half of 2018 the group opened 45 new stores and created 600 jobs, and with the acquisitions of Nisa and a 5-year deal to supply Costcutters, the company has seen significant recent growth.

A summary of Co-operative Group Food Limited accounts is set out below.

Co-operative Group Food Limited	5th January 2019	6th January 2018	31st December 2016
Turnover	£7,185,200,000	£6,940,200,000	£6,933,400,000
Pre Tax Profits	£207,900,000	£232,500,000	£154,200,000
Shareholder Funds	£1,970,500,000	£1,875,100,000	£1,805,400,000





Anti-Money Laundering Regulations

In accordance with Anti-Money Laundering Regulations, two forms of identification and confirmation of the source of funding will be required from the successful purchaser.

VAT

The property is elected for VAT and therefore VAT will be payable on the purchase price. The transaction will not be able to be dealt with as a TOGC.

EPC

The property has an energy performance rating of C-68. A copy of the certificate can be provided upon request.

Proposal

We are instructed to quote offers in excess of **£1,070,000** exclusive of VAT and subject to contract. A purchase at this level reflects a **5.25%** net initial yield and after deducting sale and leaseback purchase costs of 6.82%.

Year	£ Rent Per Annum	Running Yield
Initial Rent	£60,000	5.25%
Year 5	£69,556	6.09%
Year 10	£80,635	7.05%

We have applied an average CPI rate of 3% as an estimate of future rental growth and yield performance.

Further Information

For further information or to arrange an inspection, please contact:

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